

OVERSEAS NEWS

Concluding our series, FT correspondents look at the politics of refugee communities and the policies of the countries that host them

A united nation without a state

MAHMOUD, his wife Aliya and their five small children live in a second-floor apartment on the hillside above the Ain Helwe Palestinian refugee camp in Sidon.



IN SEARCH OF REFUGEE

The Intifada began in December 1987. Most of the deportees have settled in the Sidon camps of Ain Helwe and Mieh Mieh, where they have been giving lectures on their treatment at the hands of the Israelis and the progress of the uprising.

conditions for any settlement with Israel, the Israelis will never allow unlimited migration to the as-yet hypothetical Palestinian state. Moreover, most of the Palestinians in Lebanon came from northern Israel, from Jaffa and the villages of Galilee.

The closing door to sanctuary. Edward Mortimer asks why the West's humanitarian standards are being eroded, Page 17

Most refugees survive on rations of fuel, bread, water and other staples distributed by UNRWA, which also provides basic schooling - separate from government schools - in both Lebanon and Syria.

But the abiding memory for them all is the departure from Palestine. Mariam, another refugee, remembers fleeing across the hills of Galilee and southern Lebanon on foot as an adolescent in 1948.



Lara Marlowe. My mother still keeps the deed to our house and the front-door key in her sewing box. She took the key with her because we thought we would go back a few days later when the fighting was over. But we could never go back. My mother knows the key and the papers are useless now, but she can't bring herself to throw them away.

The most political people in the world

EVEN the simple Afghan hill shepherd, who, 10 years ago thought the world stretched little further than the next valley can now talk knowledgeably about world affairs gleaned through avid listening to the BBC.

Kuwaiti organisation, the Islamic Call, which as well as providing medical facilities, prints Islamic booklets and has a Koranic centre for children in 20 camps. He says no one can impose his way of thinking on the Afghans, but adds: "Many Afghans are illiterate and follow their fathers' and grandfathers' graves for no reason. This will die out as they are educated and find out in their books that their views are wrong."

The fine print on the door of the new home

AUSTRALIA resettles more refugees per head of population than any other country. Since the Second World War it has accepted 460,000 refugees and displaced people.

Tamils forced to rejoin the queue for asylum

THE queue at the British High Commission on Calle Boad, Colombo was joined one morning recently by four young Tamils whose deportation, with a fifth youth, from Britain in February last year has since been ruled unlawful by the British Immigration Appeal Tribunal.

they would have had to wait with only about a dozen other applicants for visas but the queue recently opened in recent months with mounting political violence in both the Tamil north and the Sinhalese south of the island.

est number of Tamils - more than 30,000. Most German courts have allowed the Sri Lankan refugees to stay. The same is true of the Scandinavian countries.

ing undocumented passengers to Britain and changes in appeals procedures. Critics of the Government say that the growing use of the new "exceptional leave to remain" provisions rather than full refugee status gives a weaker level of security for those people who do succeed in remaining in Britain.

AMERICAN NEWS

Mexico declares Cananea copper mines bankrupt

THE MEXICAN Government has declared the state-owned Compania Minera Cananea bankrupt, and dismissed the entire staff at the complex that makes up Mexico's largest copper mines.

Letting Reagan's backyard slip away Lionel Barber appraises Washington's attitude to Central America

FIVE Central American presidents recently called for the disbanding of the Nicaraguan Contra rebels - an event which ought to have provoked a fierce reaction in Washington.

secured approval among his fellow Central American presidents for a regional peace plan aimed to end the civil wars in Nicaragua, Guatemala and El Salvador.

the flawed nature of the bipartisanship accord struck in February by Mr James Baker, Secretary of State, and Democratic Congressional leaders.

Brazilian opposition veteran falters in presidential bid

By Ivo Dawson in Brasilia. The high rejection rate for the two most widely considered candidates to reflect the anger at the government of President Jose Sarney.

ME ULYSSES Guimarães, the Grand Old Man of Brazilian politics, is fighting for his political life after a widespread rebellion within his party at his continued candidacy for the presidency.

His resignation could radically alter the outcome in the presidential election scheduled for the last four months by Mr Fernando Collor de Mello, young ex-governor of the small north-eastern state of Alagoas.

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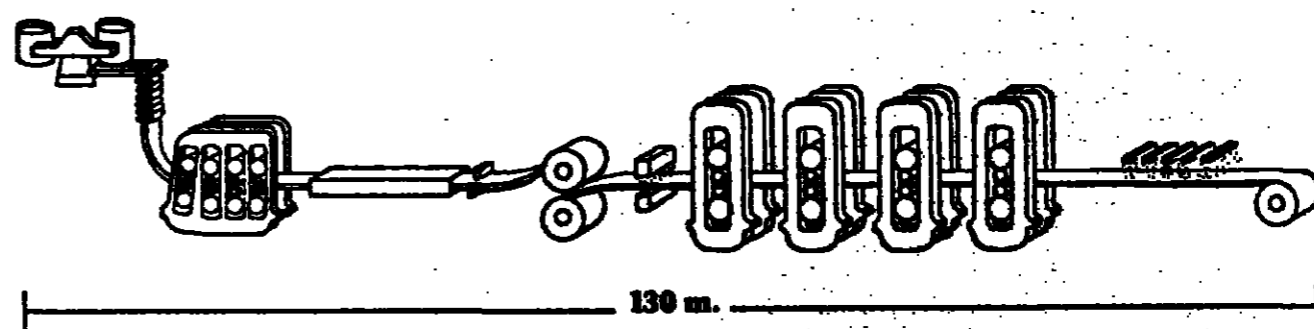
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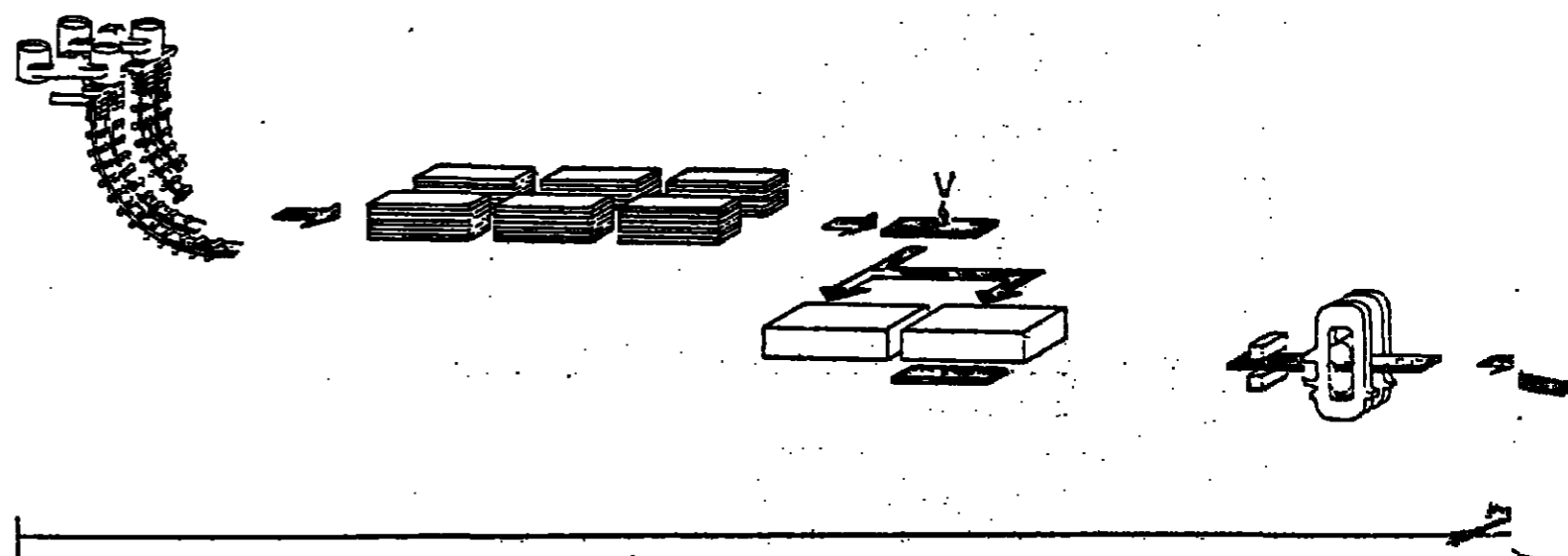
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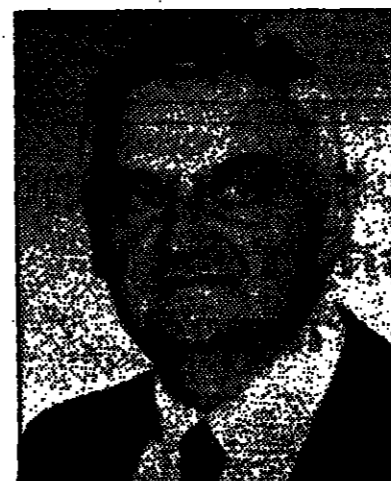


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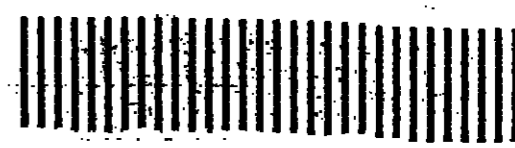


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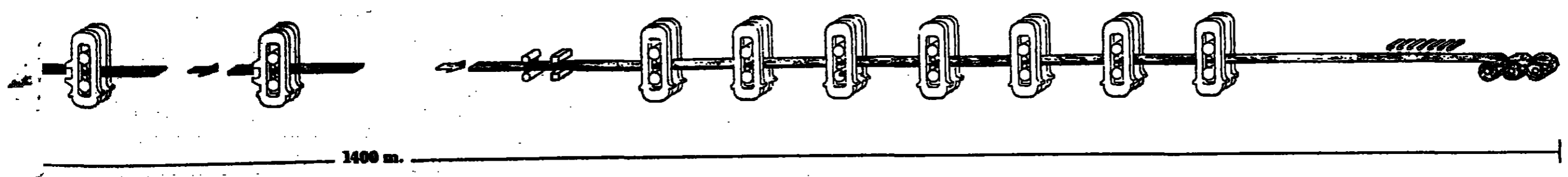
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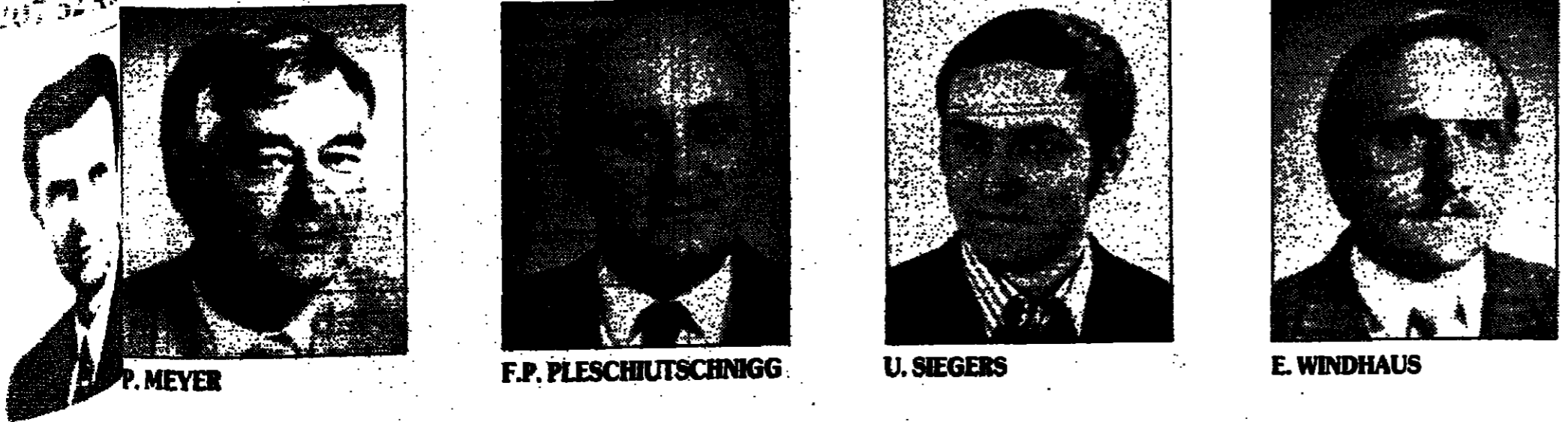
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MANAGEMENT: The Growing Business

Problems of getting South Korea's market licked

An American ice-cream company's experiences exemplify the pitfalls and opportunities of setting up in an economy in transition. Maggie Ford reports

When Jay Tunney decided to branch out into his own small business abroad, he thought he had followed all the rules. He chose a quality product which had been test-marketed successfully in a similar country, he studied the new market, the government regulations and the financing situation. He was prepared for hard work.

weight boxer, has years of business experience in Asian countries including Japan, Hong Kong and Burma. He decided to invest \$750,000 in the Korean business, half of it borrowed locally. Now into its second year, sales in the first half of this year have tripled compared with the first half of 1988.

company had set up a joint venture in South Korea producing good quality dairy products. This company is now manufacturing good quality ice-cream to the Hobson's formula and is saving 25 per cent on costs.



Jay Tunney: originally imported Hobson's ice-cream from California but the South Korean government insisted on its local manufacture.

Foreign advisors at the government-funded Small and Medium Industries Promotion Corporation, set up with a \$700m budget to provide training, cheap financing, and help with setting up smaller businesses, say that South Korean small businesses are keen to find foreign partners.

may now be better for the foreign investor to take a minority stake in a joint venture, sign a technology transfer and royalty agreement and let the Korean partner run the company.

Unemployed who are unlucky twice

In the West Lothian region of Scotland firms started by those out of work are more likely to fail, recent research finds

Unemployed people who set up in business are motivated more by a desire to achieve independence than to achieve financial reward. In turn, they are also more likely to fail than employed people who establish their own firms - and whose motivation is most likely to be a desire to achieve independence.

than £40,000, and just over a fifth have sales of more than £150,000 a year. Nearly half cited lack of finance as the biggest constraint on expansion, though a fifth did not have any desire to grow and 10 per cent were hampered by a shortage of skilled workers.

It emerged from the study that nearly three-quarters of the founders of firms that ceased trading were previously unemployed compared with less than a third of those who were still trading.

The two biggest reasons for small firms in the region going out of business were "lack of sales/orders" and "cash flow difficulties". A quarter were hit by bad debts and a similar proportion wound up their businesses because they found paid employment instead.

Small business abstracts

Marketing tools for the small accounting firm. M.M. Stenham in Journal of Accountancy (US), Feb 89 (5 pages)

Offers marketing advice to small or new accounting firms, identifying three steps essential to containing costs while maximising benefits, for instance, careful identification of marketing niches, discusses the various tools which can contribute to a successful marketing effort - announcements (eg when admitting a new partner), newsletters and publication of articles. Notes the importance of getting staff involved and an inset gives a four-step guide to writing a press release.

Decision support systems for small business. J.N.D. Gupta and T.M. Hains in Journal of Systems Management (US), Feb 89 (6 pages)

Based on a survey of small business executives in Indiana, reveals that most think computers would enhance decision-making. Explains how a decision support system can assist in information management, data quantification (ie condensing and analytically manipulating data), and model manipulation. Shows how to ascertain the business needs

for a DSS and the desired DSS features, and discusses the types of software available. Employee buy-out takes to the road. J. Freeman and others in Industrial Participation (UK), Winter 89 (4 pages)

A case history of the creation of People's Provincial Buses (previously a subsidiary of National Bus) via an employee buy-out in 1987; describes the share ownership structure (equal shares for everybody), the arrangements for share transfers/disposals/acquisition, the continu-

ation of trade unions, and the role of the participation committee. Expert system software in small business decision-making. J.J. Sullivan and G.O. Shively in Journal of Small Business Management (US), Jan 89 (10 pages)

Points to uses of expert systems (ES) in small businesses; serving as an assistant, reducing role conflict (between the owner as both manager and expert), fostering self-management (the ES forces the owner to examine his or her

own mind at work), providing marketing support. Provides a case study - a cabinet shop called The Cabinet Works - of an ES in action on a bid for a particular job. Establishes that the ES can improve self-management and reduce role conflict, but is wary about its use in marketing, eg would a system orientation result in customer needs not being focused upon?

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COMPANY NOTICES

GORDON PACIFIC LIMITED Summary SILVER VALLEY URANIUM MINE NO LIABILITY SILVER VALLEY MINERALS NO LIABILITY WALLAMINE LIMITED

The Shareholders, whose names are listed below, have not responded by the due date to the First Notice served in accordance with Article 153.3. The number of shares registered in the name of each shareholder as at 22 May, 1989 is set out opposite their names below.

Table listing shareholders and share counts for Gordon Pacific Limited. Includes names like JEAN SMITH, SPENTHORN NOMINATIONS LTD, ROGER JOHN STARFLETON, EMILIE DORIS STEEDMAN, etc.

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The Joint Administrative Receivers offer for sale as a going concern the business and assets of Faberdex Limited, a company engaged in the manufacturing of glazing for domestic and commercial markets.

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INSIDE US says Japanese bond market is fair THE US Federal Reserve said yesterday that it found no discrimination against US securities houses active in the Japanese government bond market...

The nitrate nightmare Nitrate levels in Britain's drinking water are dangerously high and exposing us all to the risk of contracting stomach cancer. And it's all the fault of the farmers for putting too much fertiliser on the land...

Pushing fingers into many pies West German steel company Hoesch is continuing its diversification into high technology by buying Schrott, a family-owned electronics components business...

MFI through the mill There have been times, during discussions with banks and shareholders in the last couple of months, when Derek Hunt, chairman of Britain's MFI Furniture, 'thought things were close'...

Japanese move into Hollywood JVC is a Hollywood unknown that plans to be a film star. Its choice of partner, Mr Lawrence Gordon, the producer and former 20th Century Fox president, marks its first move on the blockbuster trail...

Market Statistics table with columns for Base lending rates, Benchmark Govt bonds, European options, FT-A indices, FT world indices, FT FT bond service, Financial futures, Foreign exchanges, London recent issues.

Companies in this section table listing various companies and their financial metrics.

Chief price changes yesterday table showing price changes for various commodities and currencies.

London (Pence) table showing stock price movements for various companies like BAT, British Airways, British Petroleum, etc.

Printing group makes bid for De La Rue

By Clay Harris and Andrew Hill in London DE LA RUE, the security printer which produces bank notes for more than 80 countries, yesterday rejected as 'opportunistic' a £478m (\$746m) takeover bid from Norton Opax, the specialist printing and packaging group...

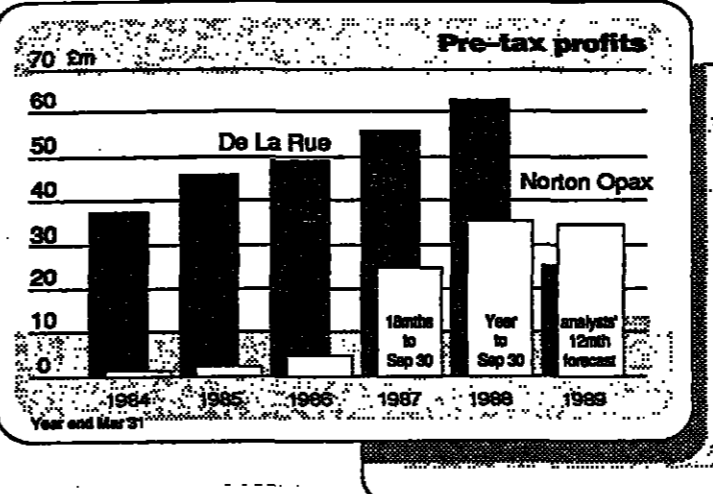
Seeking windows around the world

Andrew Hill and Clay Harris on Norton Opax's bid for De La Rue

If the size of a bid can be measured by the number of banks involved, then Norton Opax's £478m (\$746m) hostile bid for De La Rue is enormous. Chief cashiers from as many as 90 countries sign their names on banknotes produced by De La Rue or on De La Rue's printing machines...

TIMETABLE table listing various financial events and dates from MDEC 1988 to AUG 3.

Fingerprint identification systems - would be reviewed for possible disposal. The acquisition would double Norton's 25 per cent share of the UK market for the supply of plastic credit and bank cards...



half its income outside the UK. Geographically and by product, the two groups' activities slot together neatly, claims Mr Hanwell. Where De La Rue is prominent in continental Europe, South America and South East Asia, Norton's non-UK operations are in North America and Australasia...

troubled Wang in bank loan reprieve By James Buchan in New York WANG Laboratories, the US computer maker, has secured a breathing space for its troubled business with an agreement from its banks to maintain their loans to the company...

Earnings per share Pence 35 De La Rue Norton Opax

of which he owns 27 per cent, would control nearly 11 per cent of the enlarged group. This puts Mr Hanwell in the unusual position of soliciting Mr Maxwell to come on to his share register. 'Actually he's very supportive as a shareholder,' Mr Hanwell insisted yesterday with a somewhat selective memory...

GEC/Siemens bid price too low says Plessey defence document

By Hugo Dixon in London THE HOSTILE 270p-a-share offer for Plessey by the General Electric Company and Siemens of West Germany is unacceptably low, according to the defence document published yesterday by the beleaguered UK electronics group...

What does Watsons say?

Advertisement for Watsons Quarterly magazine, featuring a list of contents: 1988 Pension Changes: Success or Failure?, Answering the Captive Question?, Pity the Poor Personnel Manager, Controlling the Cost of Private Medical Insurance, Life Assurance Taxation: A Recipe for Argument?

UAL vetoed buy-out plan in June

By Anatole Kaletsky in New York BRITISH Airways and Morgan Stanley proposed a leveraged takeover of United Airlines three months ago, but were initially rebuffed by the management of UAL, United's holding company...

Advertisement for R Watson & Sons Consulting Actuaries, providing contact information for various offices: Birmingham, Bristol, Edinburgh, Manchester, Reigate, Russell Smith.

INTERNATIONAL COMPANIES AND FINANCE

JVC in film deal with US producer

By Robert Thomson in Tokyo

VICTOR COMPANY of Japan (JVC) yesterday announced the signing of a \$100m-plus film deal with a prominent US producer...



Hollywood success: actor Bruce Willis in Die Hard, one of Lawrence Gordon's cinema hits for 20th Century Fox...

very much to learn about films, so we think that this is quite a good deal."

The investment in Largo will be made through JVC Entertainment, a recently established Los Angeles subsidiary devoted to the film and music industries.

He added: "We are excited to be Japan's first entrant into the US film industry, and are confident that the combination of Mr Gordon's excellent movie production expertise and JVC's capability in hardware and software will greatly contribute to the development of movie and visual cultures."

Mr Gordon has become one of Hollywood's more bankable producers, with hits including Field of Dreams, Die Hard, and Predator.

JVC, which already distributes films and videos in Japan, and Mr Gordon will have a 50 per cent share of distribution, performance, television and video rights in the US and Europe, while in Japan JVC will hold full rights.

Nikka Whisky, founded 55 years ago, is controlled by Asahi Breweries, the second largest domestic brewer. Of the 7.7m shares being issued, bids will be accepted through a public tender for an initial 2.82m units, thereafter the rest will be placed through brokerage houses.

Nikka 20% float to raise at least Y20bn

By Robert Thomson

NIKKA WHISKY Distilling, Japan's second largest whisky maker, plans to float 20 per cent of its equity on the Tokyo Stock Exchange next month...

The listing on the second section of the TSE will represent a test of confidence in Nikka's position in the increasingly competitive whisky market, as well as being the country's first big share launch since last December...

Earlier this year, a domestic tax system which discriminated against imported spirits was abolished, and Scotch whiskeys and other imports had better access to a whisky market estimated at around 20m cases a year.

Several new Japanese products have landed on the market in the past few months, and local makers have attempted to take advantage of the new pricing structure, and prices of some brands have been heavily reduced.

Funds raised will apparently be used for capital investment and loan repayment. Nikka reported Y2.99bn in pre-tax profits in the year to last December, an increase of 20.8 per cent on the previous year.

The Tokyo stock market edged to a record high yesterday, despite thin trading, and brokers expect that gains made in recent weeks will be consolidated in the coming month, as there is an expectation of higher than expected company returns this year...

As with most Japanese consumer goods, the most lucrative section of the whisky market of late has been at the top end, with consumers prepared to pay for quality. Despite the increased flow of foreign products this year, Nikka and Suntory remain dominant, with both having their own cosy supplier links to the thousands of small bars around the country.

About two-thirds of whisky sales in Japan are in bars, while in most countries the take-home trade is a greater source of earnings.

Fujisawa launches \$1bn takeover bid for LyphoMed

By Karen Zagor in New York

FUJISAWA Pharmaceutical, one of Japan's top 10 drugs companies, yesterday offered over a share for LyphoMed, an Illinois-based drugs producer...

The move is the first significant attempt by a Japanese company to buy its way into the world's largest pharmaceutical market.

However, Fujisawa's interest in LyphoMed dates to 1985 when the Japanese company first acquired a stake. By October 1986, Fujisawa had increased its holding to its present 30 per cent.

LyphoMed performed badly last year, reporting a net loss of \$21.1m on revenues of \$127.8m against net income of \$21m on revenues of \$172.7m a year earlier.

Yesterday's bid triggered a flurry of activity in Nasdaq over-the-counter trading, where shares in LyphoMed were changing hands at \$304, up 87% from Friday's close.

The company warned, however, that "there can be no assurance that the proposal, in its current or any revised form, will be approved by the board, and no one should assume that any transaction will result."

According to Mr Samuel Isaly, an analyst at the New York office of Warburg Securities, this would be the most dramatic move outside Japan by a Japanese prescription pharmaceutical company.

It would also fit in with the general trend in the world's \$120bn-a-year drugs industry towards larger, multinational companies which can benefit from spreading the high cost of research and development and marketing across bigger markets.

First Pacific is acquiring a 50 per cent stake in Pacific Link, formerly known as Chinatel, from the Peking-backed China Resources. The system is being launched with a HK\$200m (US\$25.6m) investment to improve the old Chinatel cellular network, and will have a capacity of around 40,000 subscribers.

Chinatel was the smallest of Hong Kong's licensed portable phone operators. The majority of the territory's 70,000 users are either customers of Hutchison Telephone, a subsidiary of Hutchison Whampoa, or Communication Services, a unit of Hong Kong Telecommunications.

First Pacific buys 50% of HK mobile phone group

By Michael Murray

FIRST PACIFIC, the Hong Kong-based investment group controlled by the Liem family of Indonesia, is stepping up the battle in the territory's cellular telephone market with the launch next month of an advanced mobile telephone network by Pacific Link Communications.

The new network will operate on an enhanced version of the Total Access Communications System (Tacs), with equipment supplied by Ericsson, also of Sweden.

The workload of the overhaul division was satisfactory with a substantial volume of work performed on Rolls-Royce RB211 engines for Cathay's enlarged fleet.

The acquisition of three new aircraft by Cathay Pacific, which owns 25 per cent of Haeco and is its biggest customer, helped boost scheduled maintenance business during the first half.

The workload of the overhaul division was satisfactory with a substantial volume of work performed on Rolls-Royce RB211 engines for Cathay's enlarged fleet.

A company statement added, though, that full-year results should still show a satisfactory improvement over 1988.

The acquisition of three new aircraft by Cathay Pacific, which owns 25 per cent of Haeco and is its biggest customer, helped boost scheduled maintenance business during the first half.

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Malaysian group recasts debt and equity

By Lim Siong Hoon in Kuala Lumpur

UMW Holdings, the Malaysian automotive group which has been hit by introduction four years ago of the rival Proton national car, has begun a \$3m ringgit (US\$1.9m) debt and equity restructuring scheme.

Improved performance will in addition enable it to regain majority control of UMW Toyota Motor, the Toyota car assembler and distributor, after UMW's financial position forced it to surrender part of its holding to Japanese investors in 1987.

The latest acquisition, being made via a share exchange, raises UMW's interest in UMW Toyota to 72 per cent from 44 per cent.

The new car market in Malaysia has begun to recover since a slide in 1987. This year sales are anticipated to top 70,000 units, up by 20 per cent from last year, because of better economic growth and an appreciation in the value of the Malaysian ringgit.

Haeco hit by skill shortages

By Michael Murray in Hong Kong

THE EMIGRATION of skilled staff is causing problems at Hongkong Aircraft Engineering Company (Haeco), the commercial aircraft overhaul and maintenance company which yesterday acknowledged that profit margins were coming under pressure because of higher wages paid to retain staff and attract new workers.

NOVA RIGHTS TO SUBSCRIBE FOR COMMON SHARES

Notice is hereby given to the holders of NOVA Corporation of Alberta (NOVA) common shares that NOVA is issuing to the holders of convertible securities transferable rights (the "Rights") to subscribe for common shares.

Each holder of NOVA common shares, convertible debentures and warrants of record at the close of business on August 24, 1989, is entitled to receive... (text continues with details of the rights offering)

NOTICE TO WARRANT-HOLDERS

Notice is hereby given to the holders of warrants of the "Warrants" of NOVA Corporation of Alberta (NOVA) issued pursuant to a Warrant Indenture dated as of July 29, 1988...

NOTICE TO HOLDERS OF COMMON SHARE CERTIFICATES OF POLYSAR ENERGY AND CHEMICAL CORPORATION

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FT GUIDE TO WORLD CURRENCIES

The table below gives the latest available rates of exchange (rounded) against four key currencies on Monday, August 21, 1989. In some cases the rate is nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Table with columns: COUNTRY, £ STG, US \$, D-MARK, YEN (x 100), COUNTRY, £ STG, US \$, D-MARK, YEN (x 100). Lists various countries and their exchange rates.

Special Drawing Rights August 18 1989 United Kingdom £1.25434 United States \$1.24686 Germany West D Mark 2.49646 Japan Yen 193.790 European Currency Unit Rates August 21 1989

United Kingdom £1.48209 United States \$1.09525 Germany West D Mark 2.07732 Japan Yen 120.254

Abbreviations: (a) Buying rate; (b) Selling rate; (c) Commercial rate; (d) Controlled rate; (e) Export rate; (f) Non-commercial rate; (g) Business rate; (h) Free rate; (i) Banknote rate; (j) Bank rate; (k) Official rate; (l) Preferential rate; (m) Convertible rate; (n) Parallel rate; (o) Selling rate; (p) Tourist rate; (q) Some data supplied by Bank of America, Economics Department, London Trading Centre. Enquiries: 01 534 4360/5.

INTERNATIONAL CAPITAL MARKETS

Handful of issues fail to bring Eurobonds to life

By Andrew Freeman
NEW-ISSUE ACTIVITY on the Eurobond market was light yesterday, with a handful of issues failing to disguise the wider quietness. One syndicate manager said that arbitrage opportunities were better than that many borrowers were reluctant to commit them.

INTERNATIONAL BONDS

NEW ZEALAND DOLLAR: Abbey National tapped the New Zealand dollar sector for the first time, via a special-purpose subsidiary, with a NZ\$100m seven-year zero coupon deal brought by Westpac. The bonds were priced at 45.20 to yield around 12% per cent at less than underwriting.

NEW INTERNATIONAL BOND ISSUES

Table with columns: Issuer, Amount m., Coupon %, Price, Maturity, Fees, Book number. Lists various international bond issues.

FT INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market. Closing prices on August 21

Table with columns: Issue, Bid, Offer, Change, Yield. Lists various international bonds and their market data.

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Swiss Franc STRAIGHTS: African Dev. 5.0%, 100 94 1/2, 100 94 1/2, -0.01, 6.77. Bank of Greece 99 US, 100 94 1/2, 100 94 1/2, -0.01, 6.77.

Swiss Franc STRAIGHTS: African Dev. 5.0%, 100 94 1/2, 100 94 1/2, -0.01, 6.77. Bank of Greece 99 US, 100 94 1/2, 100 94 1/2, -0.01, 6.77.

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fail to life

INTERNATIONAL CAPITAL MARKETS

US firms 'fairly treated by Japan'

By Janet Bush in New York

THE US Federal Reserve said yesterday that it found no discrimination against US securities...

recent moves by Japan to open up its bond market, including the decision last year to allow the 40 per cent of each 10-year bond issue to be auctioned...

Nomura Securities, Daiwa Securities, Nikko Securities and Yamaiichi Securities, the four primary dealers in the Treasury bond market...

The Fed staff report said that the difficulty US companies have experienced in establishing themselves in Japan appeared to reflect primarily obstacles encountered by any new entrant in a foreign market...

Philadelphia SE halts trading in CIPs

By Janet Bush in New York

THE PHILADELPHIA Stock Exchange has asked investors in its Cash Index Participation Certificates...

Treasuries slide after registering early gains

By Janet Bush in New York and Stephen Fidler in London

US TREASURY bonds recovered some of the ground lost last week in very quiet morning trading yesterday, but then started slipping back in advance of a heavy schedule of new issues this week...

BENCHMARK GOVERNMENT BONDS table with columns for Coupon, Maturity, Price, Change, Yield, Week ago, Month ago.

but prices started edging lower along the length of the yield curve at mid-session. The long bond eased back to stand 1/2 point higher for a yield of 8.32 per cent...

and this is being done through cash management bills and increased auctions. Yesterday, the Treasury sold \$14.4bn in three-month and six-month bills...

Swiss banks' 1988 results hit by Crash

By John Wicks in Zurich

SWISS BANKS' earnings were noticeably affected last year by the results of the stock market crash, according to a report issued by the country's national bank...

in a review of Switzerland's 628 banks and finance companies, the monetary authority shows that combined gross profits rose by only 2.7 per cent last year...

CSFB paper tackles new-issue problems

By Andrew Freeman

CREDIT SUISSE First Boston (CSFB), one of the leading underwriting houses in the Eurobond market, yesterday released a discussion paper addressing the vexed subject of new-issue procedures on the international bond market...

brought by other banks. The move is designed to reduce the reliance of investors on the independent brokers that currently dominate trading of new Eurobond issues...

tributed to investors are not unusual. If distribution has not been completed by the completion date, the bookrunner should be obliged to make a statement to that effect...

encourage discipline and co-operation. It says it intends to amend the contractual language in underwriting agreements...

Chicago SE halts trading in CIPs

By Janet Bush in New York

THE CHICAGO Stock Exchange has asked investors in its Cash Index Participation Certificates...

London traded options

By Janet Bush in New York and Stephen Fidler in London

TRADING DRIFTED into mid-August doldrums. One exception was Friday's good news on the effectiveness of Wellcome's anti-Aids drug...

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table with columns for Index No., Day's Change, Est. Earnings, Div. Yield, etc. for various equity groups.

FIXED INTEREST

Table showing price indices for various fixed interest instruments like British Government, US Treasury, etc.

RISES AND FALLS YESTERDAY

Table showing rises and falls for various market categories like British Funds, Corporate Bonds, etc.

LONDON RECENT ISSUES

Table listing recent issues with columns for Issue Name, Amount, Maturity, etc.

FIXED INTEREST STOCKS

Table listing fixed interest stocks with columns for Issue Name, Amount, Maturity, etc.

RIGHTS OFFERS

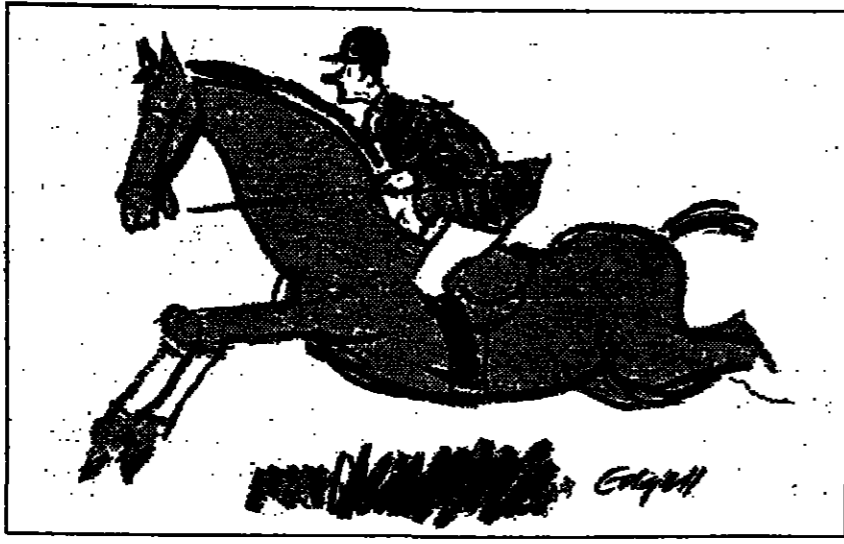
Table listing rights offers with columns for Issue Name, Amount, Maturity, etc.

TRADITIONAL OPTIONS

Table listing traditional options with columns for Issue Name, Amount, Maturity, etc.

LONDON TRADED OPTIONS

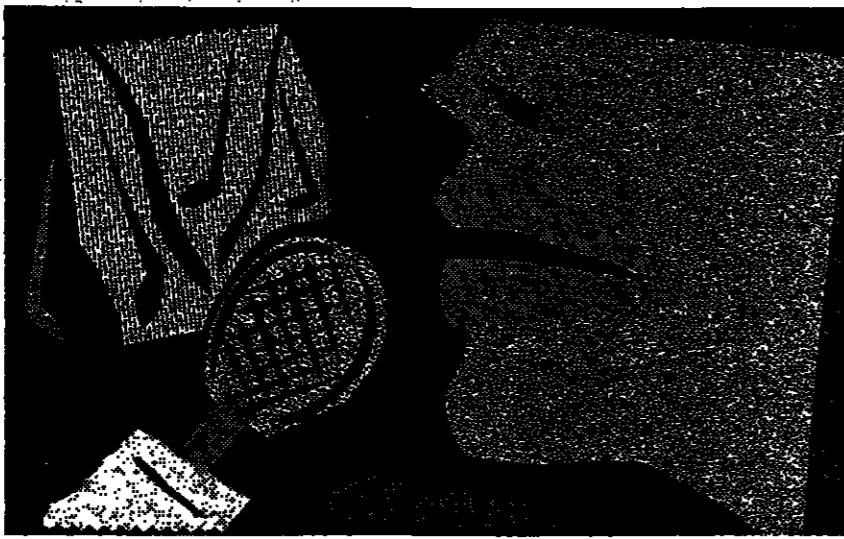
Large table listing London traded options with columns for Option Name, Amount, Maturity, etc.



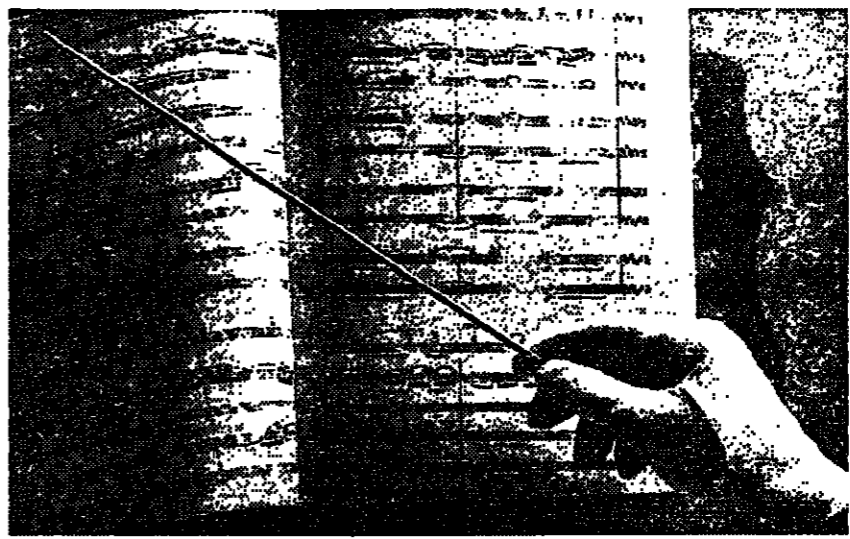
Nick Skelton winning Hickstead for the 3rd year running.
"Some of the best show jumping ever" THE INDEPENDENT



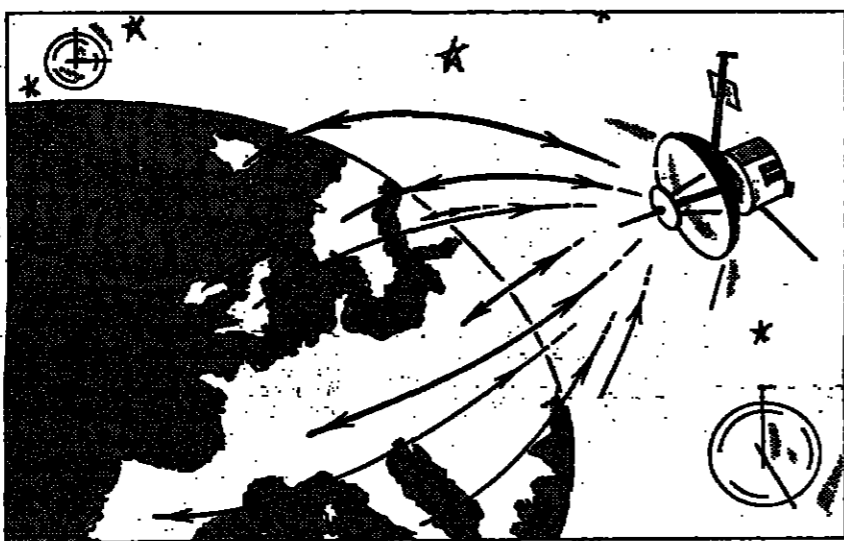
"The star performer was the WH Smith high-street chain" FINANCIAL TIMES



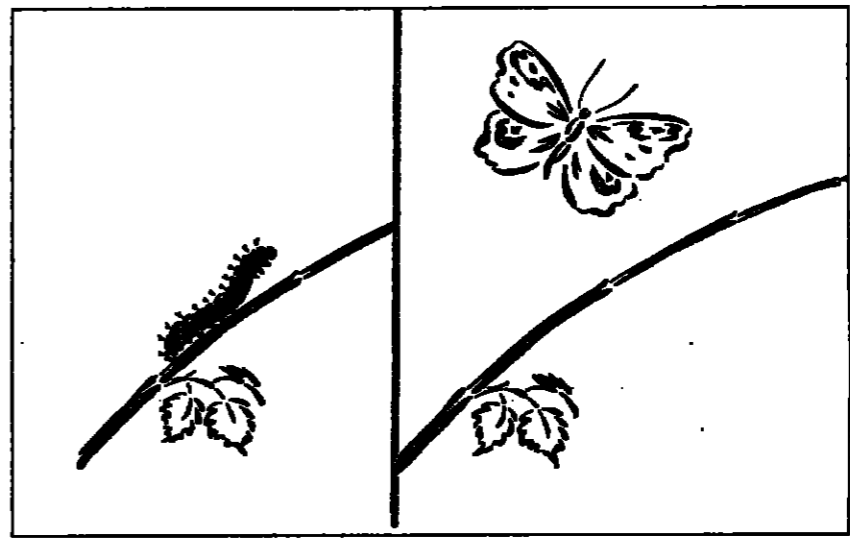
"Our Price has been roaring ahead" THE INDEPENDENT



Simon Rattle. Conductor, City of Birmingham Symphony Orchestra.
"One of the greatest young conductors in the world" THE OBSERVER



"Cable TV in Europe should be a Smith winner in the 1990s" TODAY



"Year of growth for WH Smith" THE INDEPENDENT



Pink Floyd. Docklands Concert.
"Pink Floyd go from strength to strength" THE GUARDIAN

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What the experts said about the performance of some of the country's leading players.

THE FIGURES SPEAK FOR THEMSELVES...

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£1 = \$1.55 at 30.6.89 (\$1.81 at 31.12.88)	Six months to June				Change 88-89
	1986	1987	1988	1989	
PROFIT BEFORE TAX	£554m	£642m	£677m	£811m	+20%
EARNINGS PER SHARE	22.27p	26.09p	26.74p	32.07p	+20%
INTERIM DIVIDEND	5.50p	6.50p	7.60p	9.30p	+22%

...SO DO THE FACTS.

- Rapidly growing financial services now cover 42% of first half Group trading profit of £959m.
- Tobacco packs £404m into trading profit in the six months, up 12%.
- Paper and pulp roll out £114m, 12% of the Group total trading profit. Thermal paper continues to show remarkably fast growth.
- Retail rings up £30m with store for store turnover growth at 8% in both US and UK.
- Coherent strategy pays dividends. Compound growth in dividends 19.8% per annum since 1980.



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A circular which contains the full Interim report is being posted to shareholders and copies are available from the Company Secretary, B.A.T. Industries p.l.c., Windsor House, 50 Victoria Street, London SW1H 0NL.

The Directors of B.A.T. Industries p.l.c. (with the exception of Sir Mark Weinberg, who is also a director of J. Rothschild Holdings p.l.c., one of the investors in Hoylake, and has publicly stated that he is taking no part in any discussion relating to the Hoylake offer), are the persons responsible for the information contained in this advertisement. These Directors confirm that to the best of their knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained in this advertisement is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors of B.A.T. Industries p.l.c. (other than Sir Mark Weinberg) accept responsibility accordingly.

TECHNOLOGY

Gathering clouds over air travel are creating an opportunity for the railways – and the faster the trains, the more potent the challenge. FT writers report on the stretching of conventional 'wheel on steel' technology and on the prospects for magnetic levitation

AS AIR travel becomes increasingly fraught, with long delays inevitable on the shortest journey, the technological focus has shifted to the ground.

The statistics disguise the shift. International traffic, demand for rail has been on the decline at a rate of 1 per cent a year since 1980, while the rise in air traffic over the same period has been 67 per cent. But this has led to worsening congestion in the air, leaving the railways in a position to increase their market share to the 1980s.

When the high-speed rail link to the Channel Tunnel is complete (probably by the year 2000), the journey time from London to Paris will be cut from more than five

hours of "mixed travel" to three hours and 15 minutes.

The European high-speed train network has been gathering momentum ever since France introduced its TGVs (Trains à Grande Vitesse) and speeded up inter-city transport, taking 40 per cent of the airlines' traffic and 25 per cent from the motorways on its Paris-Lyon route.

Other European countries have jumped on the high-speed bandwagon. Italy (a north-south line), West Germany (the Inter City Express network described in the accompanying article), and Spain (high-speed route between Madrid and Seville) all have high-speed lines at various stages of design and construction.

Because they are all using conventional wheel-on-steel technology, the national high-speed lines can connect to form a European network.

The question is: will the railways simply continue to refine conventional technology in their quest to be competitive with the airlines, or will they invest in newer technologies, such as magnetic levitation, to achieve speeds of 500 kph?

Geoffrey Freeman Allen, editor of Jane's World Railways, sees no reason why conventional technology should be superseded in Europe. The reason for this is that Europe already has an extensive track infrastructure on which the fast trains can run –

albeit not at top speed.

To enable speeds of up to 300 kph, new sections of track can be built for core routes over major arteries, as has happened with the TGV Atlantique service between Paris and Le Mans.

A minimum curvature radius (4,000 metres) and softer gradients (1.5 per cent exceptionally steepening to 2.5 per cent) have been fixed to accommodate the faster trains. The new line – the world's first commercial 300 kph rail service – will prove that France is still in the forefront of the high-speed revolution when it opens next month.

The new high-speed service linking London to Paris and Brussels via the Channel Tunnel

will also rely on extra power from overhead lines, as does the TGV, and new track alignments to reach its top speed of 288 kph, which BR admits will only be possible on the Continent.

In contrast, magnetic levitation (Maglev) uses anything but conventional technology. The trains hover on an elevated track which is designed so that trains can follow changing contours without loss of speed. A-shaped concrete supports are fitted with equipment for levitation, guidance and propulsion.

The trains are streamlined for minimum wind resistance and fitted with electro-magnets. The track features ferro-magnetic armature rails which raise the

train, while the guidance magnets keep it centred. The brakes are electrical and contactless – and if they fail, an eddy current brake system takes over.

Exciting though it sounds, Maglev presents more than the usual number of difficulties in a major construction and engineering project. Maglev is not compatible with existing railways. It needs its own track and cannot connect with anything else. Why should countries invest great sums in it when they've already got stations and track?" says Allen.

Of Maglev's perceived drawbacks is safety. The trains are built to aircraft design standards, which means that they

are more fragile than standard passenger coaches.

At the same time, they are more likely than aeroplanes to bump into each other or to hit debris on the track and crash. And, the critics add, they are more prone to deflection.

The prospect of Maglev's concrete guide-ways on pillars criss-crossing the countryside is likely to provoke the fiercest of environmental protest.

Meanwhile, if the Australian Very Fast Train is a success (see accompanying article), speeds of 350 kph are in sight using conventional technology.

Rachel Johnson

A choice of track for Germany's railway ambitions

West Germany's surprisingly antique railway network is on the threshold of modernisation.

At the beginning of the next century it could boast a 1,000-kilometre magnetically levitated Transrapid train link, with a futuristic train capable of travelling at more than 500 kph, as well as 4,000 km of track carrying a conventional high-speed train capable of 280 kph but to be operated at 250 kph.

Considering its engineering prowess and the quality of its transport infrastructure Germany has appeared to lag behind in the development of fast trains, at least compared with France. But now, prompted by growing congestion in the skies and on the autobahns, and by Europe's emerging high-speed rail network, the country is set for a great leap forward.

Compared with British Rail the Bundesbahn enjoys enormous public subsidy. Each

year it receives a federal grant of about DM 13.5bn (£4.4bn) but still makes annual losses of more than DM 4bn which have contributed to an accumulated debt of DM 50bn. Earlier this year, the Government said that it would write off DM 12bn of that debt.

Such sums have been required not simply because the Bundesbahn is inefficient but because after the war it inherited expensive obligations to employ people it did not need. Only since Reiner Gohlke took over as its head in 1982 has there been an attempt to run it as a business.

The social obligations also meant that the Bundesbahn under-invested in trains and track although the generous public funding has still enabled it to electricity 35 per cent of the 28,000 km of track compared with only 25 per cent in Britain. It also makes it easier to contemplate the almost DM 30bn of investment that will be required for the Bundesbahn's Inter City

Express (ICE) conventional high-speed network.

A large part of that network is due to be operational by 1991 with trains capable of running at 280 kph. Two new stretches of track are being laid between Hanover and Würzburg (287 km) and Mannheim and Stuttgart (100 km), and another 3,500 km of existing track is being modernised to accommodate the new trains. Two further links – between Karlsruhe and Basel in Switzerland and between Frankfurt and Cologne – are due for completion later in the 1980s.

There are still a few technical problems associated with the energy consumption of the ICE trains, 82 of which have already been ordered. And despite the fact that the strong environmental lobby is theoretically hostile to the laying of new track (especially between Frankfurt and Cologne) and the country's legal system gives land owners considerable powers of obstruction.

The even more ambitious Transrapid magnetic levitation project has to contend with the latter problems and plenty more of its own. There are growing doubts in Bonn that it will ever run on anything more than its experimental 31 km track in Emsland in northern Germany. This is for political rather than technical reasons – although a few technical difficulties have yet to be resolved including the problem of ice on the electro-magnetic track.

There are three identifiable groups in the Transrapid debate – for, against and undecided. The first consists of the Research Ministry, several banks and the Transrapid consortium itself led by Thyssen, Messerschmitt-Bölkow-Blohm and Krauss-Maffei (also important contractors to ICE).

The proponents argue that the frictionless super-speed train, which hovers a few centimetres above electro-magnets built into elevated tracks, will fill a gap between conventional

railways and air travel, relieving both of congestion – which is expected to worsen after 1993 because of the Single European Market.

They claim not only that the Transrapid train would cut the 1,000-mile Hamburg-Munich trip from 10 hours to 3.5 hours, but also that the engine-less train would have low labour and energy costs, and travel in a quiet and environmentally sound manner (although most environmental groups oppose it). They say a decent stretch of track is required in Germany as a show-case for the hoped-for foreign orders from the US, Canada, China and the Middle East.

Transrapid believes that it can raise most of the DM 30bn required from the private sector, perhaps modelled on the Channel Tunnel financing, and it may soon form itself into a public company. But it insists that it needs an initial injection of about DM 4bn of government money for the first stage – a 100 km track

between Hamburg and Hanover or a 150 km track between Essen and Bonn.

But the sceptics, led by the Transport Ministry, say that the project will cost at least DM 50bn, will not solve Germany's transport problems and will fail to get backing from the private sector. The ministry will advise the Government not to provide any more public money for the project beyond the DM 1.8bn already paid out for the test track.

"A Europe-wide Transrapid system might have been possible in the 1970s or early 1980s but now it's too late and it makes no sense in Germany alone," says Juergen Huber of the Transport Ministry. It argues that the French would never join a European Transrapid system and that the conventional ICE has the scope to increase the speed of its trains in the long run.

The ministry is also suspicious of the show-case argument and points to the fact that it now looks likely that Transrapid will clinch its first order in the US from Orlando airport to Disney World in Florida, admittedly only 30 km, without one. For longer lines, from Los Angeles to Las Vegas for example, the argument for a show-case may be stronger.

The neutral group comprises the official environmental lobby – the Environment Ministry – and the opposition Social Democrats. Although Transrapid is a "clean" train, because it requires new track to be built it has set country interests against those of the urban business community. The neutrals may also be influenced by growing hostility to large-scale schemes of any kind, especially after the waste of more than DM 20bn on grand nuclear projects over the last 15 years.

As so often in Germany the decision will probably depend on the outcome of a regional battle. Northern politicians, Christian Democrat and Social Democrat alike, are strong supporters partly because more of the work on the trains will be done in the north. Some of these politicians, backed by Eckart Van Hooven of the Deutsche Bank, also see the chance of a northern European Transrapid linking the Scandi-

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MORE OF EUROPE'S
BUSINESS TRAVEL
DECISION MAKERS

FINANCIAL TIMES

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The Economist

Management

Harvard Business Review

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FINANCIAL TIMES
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To: Tony Blin-Stoyle, Financial Times, Number One Southwark Bridge, London SE1 9HL. Tel: 01-873 4920 Fax: 01-873 3062. Please send me a copy/year edited version of the 1989 European Businessman Readership Survey. (*Delete as appropriate.)

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High-speed route through a finely balanced market

man, chief executive of the VFT joint venture, the train will incorporate technological developments from abroad designed to ensure speedy but safe travel without excessive track damage. These include improved suspensions, bogies and wheel sets, a more efficient overhead current collection system, and enhanced motor control technology and electronic circuitry.

The obvious question regarding the VFT, given that it is not scheduled to come into operation until the mid-1990s, is why those involved in the venture have not considered the magnetic levitation (Maglev) system under development in both Japan and West Germany.

The answer is that they have considered this option, but reckon that none of the competing Maglev systems is sufficiently developed to be available within the time sought for the VFT. In addition, they calculate that the track cost would be some two-and-a-half times that of a wheel-on-rail system, because it would require more bridging and substantial quantities of copper winding along the track's length.

That does not rule out Maglev altogether. The VFT trains will have a life of around 30 years. Then, or earlier if that is feasible, the report says "further consideration may be given as to whether those replacements should be wheel on rail trains, or whether the right of way should be converted for Maglev operation."

* VFT Concept Report (published by the VFT Joint Venture, GPO Box 2188, Canberra, Australia 2601; December 1988)

The idea is to beat the airlines on cost, and buses and conventional trains on time

braking systems: regenerative, in which power generated by the motors is fed back into the electricity supply system, magnetic track brakes, which induce eddy currents in the track with the effect of retarding the train, and conventional disc brakes to be used primarily at low speeds.

Rather than conventional lineside signals, the signalling system will use displays in the driver's cab, coupled with automatic train control to eliminate the potential for driver error.

Each VFT train will consist of six passenger cars with a power car or locomotive at either end, making it nearly 200 metres in length.

According to Alan Castle-

Chris Sherwell

COMMODITIES AND AGRICULTURE

Copper up again after Mexican mine bankruptcy

By Kenneth Gooding, Mining Correspondent

CONTORTIONS in the copper market continued yesterday as it absorbed the news from Mexico that the Cananea mine, which accounts for about 2 per cent of the non-communist world's output of the metal, had been declared bankrupt.

LME WAREHOUSE STOCKS (Change during week ended last Friday) tonnes

James Capel mining team, suggested the market was not taking the current disruptions to base metals production seriously enough because it had become used to the idea that production in South America and Central Africa was falling far short of attainable levels.

future, there was little chance that the underlying political causes of these disruptions would be eliminated. Moreover, the chances of Central Africa sorting out its infrastructural and Aids-related problems "must be limited".

Zinc consumption down by nearly 3%

By Kenneth Gooding, Mining Correspondent

ZINC CONSUMPTION in the non-communist world fell by 2.9 per cent to an estimated 2.58m tonnes during the first six months of 1989, according to the International Lead and Zinc Study Group.

Analysts suggest this is a clear indication of the slowing of activity in construction and car-building, particularly in the US. Both industries are leading zinc users.

lowed the demand pattern and rose by 1.4 per cent to 2,232m tonnes. The Institute says stocks of refined lead by producers have fallen by 7,000 tonnes from the beginning of this year to 165,000 tonnes and stocks in LME warehouses have been reduced by 27,000 tonnes to 32,900 tonnes.

Phibro statement hits cocoa

By Richard Mooney

COCOA PRICES on the London Futures and Options Exchange fell sharply yesterday as it became clear that most of the Ivorian beans covered by a large deal signed at the beginning of this month were already committed in the market.

But Mr Derek Watts, managing director of Phibro (Malaysia), said yesterday in Kuala Lumpur that most of the cocoa his company had bought was already spoken for. "It is well known in the cocoa market that Philipp Brothers has been an aggressive seller of Ivory Coast cocoa beans since the beginning of this year," he said.

been standing at 2991 a tonne but after its confirmation a few days later it reached 2967 a tonne. That gain had been more than wiped out by the end of last week, however, as the fundamental bearishness of the supply/demand situation had been reasserted. And yesterday December cocoa fell another 238 to 2827 a tonne.

Green tendency is poisoning water debate

Despite publicity, there is no scientific evidence that Britain's supplies are dangerous

THE APPARENT belief of an ever-increasing number of people that Britain's public water supplies pose a danger to health because of modern farming methods does not stand up to examination. The fear has made fortunes for companies in the business of bottling drinking water, caused considerable but unnecessary concern to consumers and looks like costing the country and its farmers many hundreds of millions of pounds over the next few years.



By David Richardson

On pesticides and other agro-chemicals, for instance, the facts are that in recent years the methods used by scientists to detect the presence of even minute quantities of residues of all kinds in water have become significantly more sophisticated. This has enabled them to find one or two parts per billion of chemical in water in a few cases should cause little concern. As one scientist told me it is the equivalent of finding a goldfish in Wales and does not amount to a conceivable danger.

Indeed one of the first proponents by John Gummer after he became Minister of Agriculture a few weeks ago was on the planned establishment of Nitrate Sensitive Areas. A pilot experimental scheme over a few limited areas is to be initiated next year, whereby farmers will voluntarily restrict applications of other fertilisers and some arable land will be planted with grass. Affected farmers will receive compensation for loss of income.

summary modifications in their farming systems to comply with Good Agricultural Practice in order to limit nitrate leaching from their land. But this has not been defined and the farmers will not be paid compensation. Should such measures be extended over a wide area of the country in due course, it has been suggested that loss of yield would lead to serious deficits in a number of commodities and could lead to a steep rise in the price of cereals and foods reliant on them.

The suggestion that nitrates cause stomach cancer is derived entirely from historical work on laboratory animals. While confirming that it was, of course, desirable for drinking water to be as pure as possible, the committee warned that Britain's more recent agreement to implement the limit by 1995 (the Commission has insisted on 1993) was not achievable.

sumption of large quantities of vegetables reduces the risk of cancer. On what basis then has the EC decided to set a limit of 50 ppm of nitrate in drinking water? Before the regulation was imposed, indeed the UK government and water authorities were satisfied that 100 ppm was entirely safe. Indeed the World Health Organisation said that 100 ppm of nitrate is a reasonable target and that this leaves a great deal of room for possible error.

The only shorter-term alternative would be for water suppliers to install purification units and blending plants, the cost of which would be prohibitive. It would in any case be technically impossible to complete the work in time for the EC's deadline or the UK's promise. Their Lordships thought a more sensible solution would be to differentiate between water for drinking and water for other purposes. But they were also clearly unconvinced of the need for a 50 ppm limit.

The EC, however, is not the most paranoid when it comes to water purity and imagined dangers. Two years ago the US adopted a standard of 10 ppm as the maximum desirable level of nitrate in water. At the same time the US Department of Agriculture issued a series of guidelines to farmers which have since been implemented in different ways by each state. They are not too dissimilar to those in Mr Gummer's Nitrate Sensitive Areas.

Nebraska farmers are also being encouraged to "spoon feed" their crops with fertiliser requirements - in other words apply nitrogen up to three times per season in amounts the plants need at the time rather than all in one dollop in the spring. This, too, has been practised on UK arable farms for at least 10 years.

Australia's live sheep trade with Middle East at risk

By Chris Sherwell in Sydney

AUSTRALIA'S lucrative live sheep trade with Middle Eastern countries is starting to suffer from unsubstantiated Saudi Arabian allegations of disease in individual cargoes, Canberra officials reported yesterday.

According to Canberra officials yesterday, the Saudi allegations have already produced two immediate results: a downturn in sheep sales to other Gulf countries and a sharp rise in the price of sheep in Saudi Arabia itself.

Their report is now under consideration but Canberra has also to consider whether it is worth carrying on with the trade at all. As for the problem itself, no reliable explanation has yet surfaced to account for its sudden emergence. Canberra officials have pointed to the fact that one company in particular - the Saudi Livestock Trading and Transport Company - has been hurt by the rejections.

ries, breaches of Saudi rules regarding sheep purchases abroad, Saudi efforts to develop a local sheep industry, and over-zealous quarantine officials embarrassed by outbreaks of an unrelated disease.

Beyond that, they have alluded to internal royal politics, inter-departmental rival-

LONDON MARKETS

TIN PRICES fell to new life of contract lows on the London Metal Exchange yesterday, before steadying a little near the close. Cash metal added \$445 to last week's \$560 fall while the three months price, which fell \$530 last week, ended \$375 down at \$9,040 a tonne.

COCOA (tonnes) table with columns for Close, Previous, High/Low and dates from Sep to Dec.

SPOT MARKETS

Table listing various commodities like Brent Blend, Cotton, and Rubber with their respective prices and changes.

LONDON METAL EXCHANGE

Table showing prices for various metals like Aluminium, Copper, Lead, and Zinc, including AM Official, Korb, and Open Interest.

WORLD COMMODITIES PRICES

Large table listing international commodity prices for items like Wheat, Soybeans, and various oils, with columns for Close, Previous, High/Low, and other market data.

US MARKETS

IN THE METALS, very quiet trading continued, reports Drexel Burnham Lambert. Gold and platinum followed the US dollar's sharp movement. Copper gained from mostly fund and local activity. In the softs, cocoa prices sank 46 dollars basis September as the day's most active market. New short-selling made up most of the volume. Coffee was up 186 points basis September as trade activity provided support. Sugar trading was dull as prices eyed around unchanged levels for most of the day.

NEW YORK

Table showing prices for Gold, Silver, and Platinum in New York, including spot and futures prices.

CHICAGO

Table showing prices for Soybeans and Soybean Meal in Chicago, including 5,000 bu and 100 ton contracts.

MAIZE

Table showing prices for Maize in Chicago, including 5,000 bu and 100 ton contracts.

WHEAT

Table showing prices for Wheat in Chicago, including 5,000 bu and 100 ton contracts.

LIVE CATTLE

Table showing prices for Live Cattle in Chicago, including 40,000 lbs and 200 lbs contracts.

There were 19,254 packages on offer including 7,600 offshore, reports the Tea Brokers Association. Prices for bright flowering East Africans and colour mediums continued fully firm but palmer sorts showed an easier tendency. Ceylons were a very strong feature and sold at dearer rates. In the offshore auction there were some withdrawals amongst the palmer descriptions. Kenya met good demand at firm rates while primary grades from Central Africa sold readily. Ceylons: quality 155p (ear), medium 124p (ear), low medium 95p (87p).

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FINANCIAL

Table showing interest rates for various banks and financial institutions, including Base Rate and Deposit Rates.

INDEXES

Table showing various financial indices like FTSE 100, Dow Jones, and Nikkei, with columns for Close, Previous, High/Low, and Change.

FOREIGN EXCHANGE

Table showing exchange rates for various currencies like the Dollar, Pound, and Yen, with columns for Close, Previous, High/Low, and Change.

LONDON STOCK EXCHANGE

Drug stocks again feature equities

ANOTHER slack August day's trading provided the backdrop for a cluster of special situation stocks in the UK equity market yesterday.

Account Opening Dates table with columns for Firm Name, Opening Date, and Closing Date.

Drug stocks which had already been re-ignited by last week's favourable US regulatory reference to Wellcome's anti-Aids product.

merger of SmithKline and Beecham. Speculative interest was fuelled by reports that a leading US securities house had put together a consortium of takeover prospectors with a \$50m cash primed for the London equity market.

then recovered again as takeover speculation re-asserted itself. The impetus was then again lost when Wall Street made a slow start and by the end of the day, London shares had little to show for themselves.

another small gain. The data appeared to confirm the general view that "domestic output and demand are slowing down quite sharply now," according to Mr John Reynolds of Prudential-Bache.

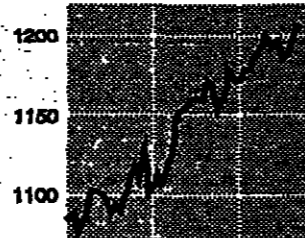
Another shot in the arm

The pharmaceutical sector was galvanised for the second trading day in succession. A \$700m bid by Japanese pharmaceutical company Fujisawa for Lymphomed of the US came hard on the heels of Friday's encouraging news on the effectiveness of Wellcome's anti-Aids drug Zalcitabine.

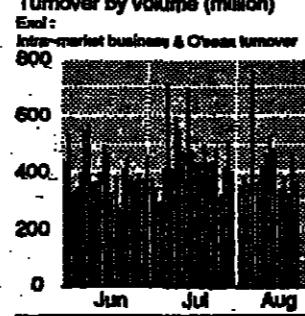
around, traders noted a succession of medium-sized buying orders which, in fairly thin trading, raised shares BAT 20p to 830p.

Midland stand out. Speculation that Hongkong and Shanghai Bank might be ready to increase its 14.9 stake in Midland Bank against the trend.

FT-A All-Share Index



Equity Shares Traded



ings by £27m to £245m and for next year by £16m to £190m. BZW is, however, recommending investors to take profits in Royal in the short term.

market short yesterday and prompted the early gains. Queens Meats closed down 6 1/2 at 115 1/2 following the 1-for-4 rights issue launched to raise £14m towards the acquisition of three UK hotels.

Sharply increased half-term profits put EBC, the construction company, up 10 to 185p while Stanley Miller pushed higher still to 304p on Newcastle development prospects.

timing to take a positive line on the outlook for the group. Japanese buying was behind a firm performance from British Steel. It closed a penny to the good at 79p on only moderate volume for the stock of 7.7m shares.

A weekend press suggestion that Sunningdale, the Goldsmith/Rothschild/Packer controlled vehicle, may offer its 29.9 per cent stake in Banks Hovis Macdonald to its buy-out specialists Kohlborg Kravis Roberts gave early impetus to the food group's shares.

FINANCIAL TIMES STOCK INDICES

Table of Financial Times Stock Indices including Government Secs, Fixed Interest, Ordinary Share, Gold Mines, FT-SE 100 Share, Ord. Div. Yield, and S.E. Activity.

TRADING VOLUME IN MAJOR STOCKS

Table showing trading volume in major stocks with columns for Stock, Volume, and Price.

Wellcome traded around 15 better, ahead of the bid announcement then shot ahead to touch 79 1/2 before settling back at 78 1/2, up 56 on the day.

Peelers said that the sudden pick up in the price was down to two reasonably sized buying orders left over from last Friday.

BAT hint. A close inspection of BAT Industries' stout defences against the Hoylake offer, and particularly chairman Sir Patrick Sheehy's concern about the stock market valuation of BAT shares compared with the underlying value of its businesses, was taken to mean that a restructuring of the group was not entirely out of the question.

Concern about what some analysts believe was an overgenerous dividend and further profit-taking took the gloss off Royal Insurance. The composite group's shares dropped 5 to 433p in spite of a profits upgrade from BZW, the securities house. BZW has raised its estimate for current year earnings by 27m to 245m and for next year by 16m to 190m.

NEW HIGHS AND LOWS FOR 1989

NEW HIGHS (1989): BRITISH AIRWAYS (1) PROSITY (1) TORACOR (1) TRANSPORT (1) TRUSTS (1) WOLFE (1) ...

Among the other retailers to report advances was Burton, up 8 to 259p on turnover of 2.8m shares and buoyed by several brokers' recommendations and interest in the New York-quoted ADRs, and Kingfisher, up 5 to 341p.

climb 6 to 58p. But market-makers soft-pedalled the idea of a full bid, saying that profit-takers had already been seen at this level. Suter eased a penny late to close at 189p.

A notable decline was posted by Body Shop, down 12 to 458p and ending several weeks of solid gains. County NatWest Woodhouse has moved the stock from a buy to a hold.

Interest continued to flicker in United Newspapers, boosted last week by Mr Conrad Black increasing his stake to 7.5 per cent; turnover was light but the shares rose 16 more to 520p.

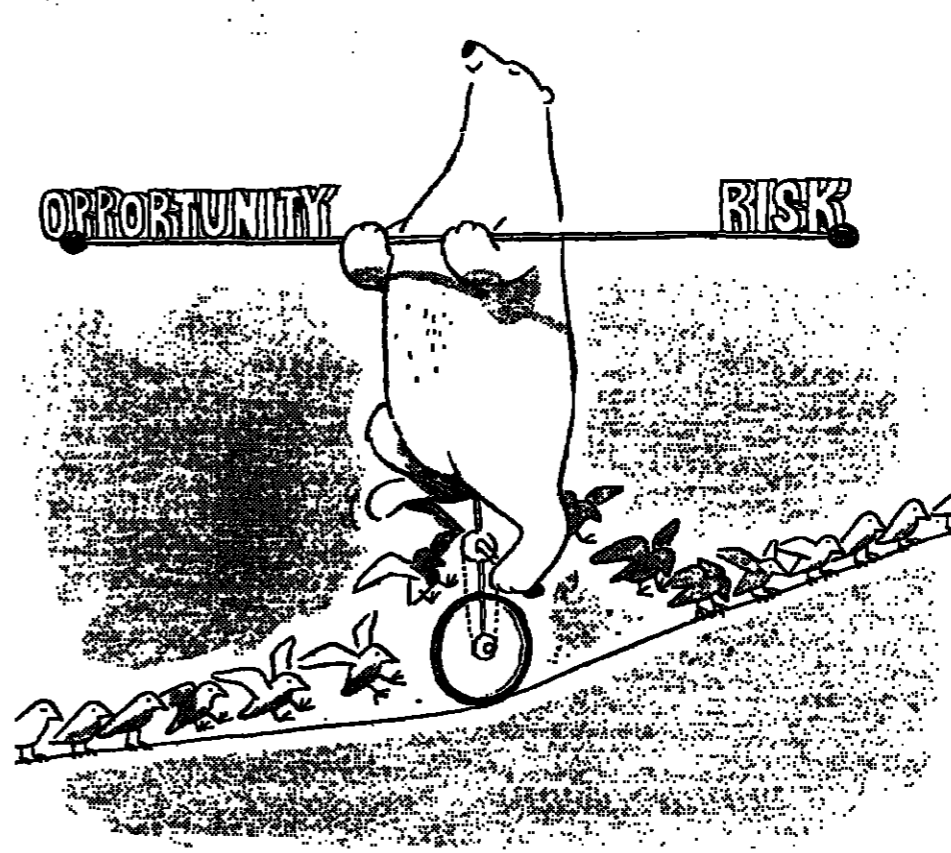
Property group Priest Mariani tumbled 30 to 505p after the company announced that it will report a pre-tax loss in its second half and will not be paying a dividend for the 1988-89 financial year.

Thames Television confirmed speculation that it was in talks that might lead to the acquisition of Reeves Communications, a US television production and distribution company. Thames shares slid 4 to 580p as analysts said the company might have to pay \$100m for Reeves.

ence Rubin expects currency considerations to give Courtauld's short term boost while prospects for the medium term are enhanced by the likelihood of demand picking up when UK interest rates begin to fall.

The shock of a first-half trading loss left Palma down 8 to 60p. GPC, formerly Guinness Peat Group, came under pressure and fell to 19 1/2 before setting a net 7 down at 21p. The board was reconstituted earlier this year, and a management buy-out proposed just four weeks ago.

Other market statistics, including FT-Actuaries Share Index and London Traded Options, Page 21



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Finance director of Pentos

Mr Patrick Hooper has been appointed finance director of PENTOS from September 1. He has been with the group for 13 years, and was finance director of subsidiary Pentos retailing group since 1983.



Mr Richard N. Barnes has been appointed finance director, BRITISH AEROSPACE (MILITARY AIRCRAFT), Warton, Lancs. He was senior vice president finance, and treasurer, of British Aerospace Inc, Washington DC.

director of NORTH WEST WATER. He was chief executive of Vickers Shipbuilding & Engineering.

Mr Robert V. Wharton, deputy chairman and group chief executive, HIGH-POINT, has been appointed chairman of the Schaer division.

SECURITY PACIFIC HOARE GOVETT, a merchant bank, has appointed Mr Paul Kafka as vice president and head of corporate communications, with responsibility for the UK and continental Europe. After six years in banking with Lloyds Bank International and County NatWest, primarily in project finance, he joined Dewe Rogerson as an account director in 1986.

TELENDUS, Newbury, has promoted Mr Paul Strawbridge to director of marketing and commerce.

Mr Don Willis, sales manager, has been promoted to sales director of BARRATT MANCHESTER.

BRITISH TELECOM communications facilities management division has appointed Mr Derek Peckins as central support manager, a new post. He will co-ordinate the group's support programme, including customer training and product documentation, and will also evaluate and test new products. He will be responsible for maintaining quality standards, particularly for the introduction of new network management products. Mr Perkins has been with BT for 26 years, latterly in research and development.

ASDA PROPERTY HOLDINGS has appointed Mr Charles Briscoe (above) as managing director of its development subsidiary, Asda Property Developments. He was a director with Whistlars Investment, a subsidiary of the Grosvenor Estate.

Mr Kenneth J. Regan has joined EXECUTIVE SEARCH as a director, managing director of Hilmont U.K.



UNION GROUP has appointed Mr Robert D. Rocklin (above) as finance director. He has been with the group since March last year, and was an audit manager with Price Waterhouse.

Mr Peter Hadley-Chaplin has been appointed a director of ROWE EVANS INVESTMENTS. Mr S.G. Mac has retired.

Mr Douglas R.P. Baker has been appointed chairman, and Mr Ken Cullley becomes chief executive of the newly merged REGENCY & WEST OF ENGLAND BUILDING SOCIETY. Mr Baker was until recently chairman of Touches Ross International, and is a director of Hardy Oil and Gas, London International Group, Marrett Holdings, and the London board of Bank of Scotland. Mr Cullley was chief executive of the West of England Building Society prior to the merger, and is a director of West of England Homes, and West of England Estate Agents.

MIDLAND OAK ESTATES has promoted Mr Richard Gray and Mr Michael Sheard to the board. Mr Gray as director responsible for the London office; and Mr Sheard as director responsible for project management and technical services, at head office, Kenilworth, Warwickshire.

Dr Rodney Leach has been appointed a non-executive

FT UNIT TRUST INFORMATION SERVICE

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AUTHORISED UNIT TRUSTS

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Main table of unit trust information, columns include Unit Trust Name, Unit Price, and other financial details.

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GUIDE TO UNIT TRUST PRICING. Text explaining unit trust pricing, including sections on 'INITIAL CHARGES', 'UNIT PRICE', 'TERMINATION', and 'FORWARD PRICING'.

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Johnnie Lita

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Main table containing unit trust information with columns for company name, unit price, and other financial metrics. Includes sub-sections for 'OTHER UK UNIT TRUSTS' and 'INSURANCES'.

OTHER UK UNIT TRUSTS

Table listing various UK unit trusts such as British Equities, British Government, and British Property.

INSURANCES

Table listing insurance companies and their unit trusts, including AA Prudential, Abbey Life, and others.

Continued on next page

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For Current Unit Trust Prices on any telephone ring direct 0836 4 + five digit code (listed below). Calls charged at 50p per minute peak and 25p off peak, inc VAT

Main table containing unit trust information with columns for Name, Price, Yield, and other financial metrics. Includes sub-sections for various regions and trust types.

OFFSHORE AND OVERSEAS

GUERNSEY (GB RECOGNISED)

MANAGEMENT SERVICES

LUXEMBOURG (GB RECOGNISED)

JERSEY (**)

SWITZERLAND (GB RECOGNISED)

GUERNSEY (**)

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FT UNIT TRUST INFORMATION SERVICE

LONDON SHARE SERVICE

Table of FT Unit Trust Information Service, listing various unit trusts with columns for name, price, and performance.

Table of London Share Service, listing various funds and shares with columns for name, price, and performance.

Latest Share Prices are available on FT Cityline. To obtain your free Share Code Booklet ring the FT Cityline help desk on 01-925-2128

LONDON SHARE SERVICE

AMERICANS - Contd

Table listing American companies such as American Express, American International Group, and American Overseas, with columns for share price, bid, offer, and P/E ratio.

BUILDING, TIMBER, ROADS

Table listing companies in the building, timber, and roads sectors, including Bovis Lend Lease and Bovis Lend Lease Group.

DRAPERY AND STORES - Contd

Table listing companies in the drapery and stores sector, such as Debenhams and Debenhams Group.

ENGINEERING

Table listing engineering companies like Balfour Beatty, Balfour Beatty Group, and Balfour Beatty International.

INDUSTRIALS (Misc.) - Contd

Table listing various industrial companies including British Petroleum, British Petroleum Group, and British Petroleum International.

INDUSTRIALS (Misc.) - Contd

Table listing more industrial companies such as British Petroleum, British Petroleum Group, and British Petroleum International.

CANADIANS

Table listing Canadian companies like Alcan, Alcan Group, and Alcan International.

Contd

Continuation of the Building, Timber, Roads table.

ELECTRICALS

Table listing electrical companies such as British Telecom, British Telecom Group, and British Telecom International.

Contd

Continuation of the Engineering table.

Contd

Continuation of the Industrials (Misc.) table.

Contd

Continuation of the Industrials (Misc.) table.

BANKS, HP & LEASING

Table listing banks and hire purchase/leasing companies like Abbey National, Abbey National Group, and Abbey National International.

Contd

Continuation of the Building, Timber, Roads table.

ELECTRICALS

Table listing electrical companies such as British Telecom, British Telecom Group, and British Telecom International.

Contd

Continuation of the Engineering table.

FOOD, GROCERIES, ETC

Table listing food and grocery companies like Borden, Borden Group, and Borden International.

Contd

Continuation of the Industrials (Misc.) table.

BEERS, WINES & SPIRITS

Table listing beer, wine, and spirit companies like Carlsberg, Carlsberg Group, and Carlsberg International.

Contd

Continuation of the Building, Timber, Roads table.

DRAPERY AND STORES

Table listing drapery and stores companies such as Debenhams and Debenhams Group.

Contd

Continuation of the Engineering table.

INDUSTRIALS (Misc.)

Table listing various industrial companies including British Petroleum, British Petroleum Group, and British Petroleum International.

INSURANCES

Table listing insurance companies like British American Insurance, British American Insurance Group, and British American Insurance International.

BUILDING, TIMBER, ROADS

Table listing companies in the building, timber, and roads sectors, including Bovis Lend Lease and Bovis Lend Lease Group.

Contd

Continuation of the Building, Timber, Roads table.

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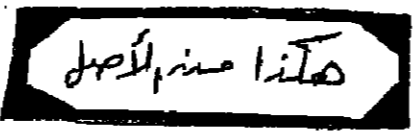
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LONDON SHARE SERVICE

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LEISURE

Table of share prices for Leisure companies including Leisure Group, Leisure World, and Leisure Travel.

PAPER, PRINTING, ADVERTISING - Contd

Table of share prices for Paper, Printing, Advertising companies including News International, Newsprint, and Advertising.

TEXTILES - Contd

Table of share prices for Textiles companies including Textile, Clothing, and Fashion.

TRUSTS, FINANCE, LAND - Contd

Table of share prices for Trusts, Finance, Land companies including Investment, Finance, and Real Estate.

OIL AND GAS - Contd

Table of share prices for Oil and Gas companies including Energy, Petroleum, and Gas.

MINES - Contd

Table of share prices for Mines companies including Gold, Silver, and Minerals.

MOTORS, AIRCRAFT TRADES

Table of share prices for Motors, Aircraft Trades companies including Car, Aircraft, and Transport.

PROPERTY

Table of share prices for Property companies including Real Estate, Development, and Housing.

TRUSTS, FINANCE, LAND

Table of share prices for Trusts, Finance, Land companies including Investment, Finance, and Real Estate.

OVERSEAS TRADERS

Table of share prices for Overseas Traders companies including International, Global, and Foreign.

PLANTATIONS

Table of share prices for Plantations companies including Rubber, Sugar, and Forestry.

THIRD MARKET

Table of share prices for Third Market companies including International, Global, and Foreign.

NEWSPAPERS, PUBLISHERS

Table of share prices for Newspapers, Publishers companies including News, Media, and Publishing.

SHOES AND LEATHER

Table of share prices for Shoes and Leather companies including Footwear, Textiles, and Fashion.

SOUTH AFRICANS

Table of share prices for South African companies including Mining, Finance, and Real Estate.

OIL AND GAS

Table of share prices for Oil and Gas companies including Energy, Petroleum, and Gas.

FINANCE

Table of share prices for Finance companies including Investment, Banking, and Insurance.

REGIONAL & IRISH STOCKS

Table of share prices for Regional & Irish Stocks including UK, Ireland, and Europe.

PAPER, PRINTING, ADVERTISING

Table of share prices for Paper, Printing, Advertising companies including News, Media, and Publishing.

TEXTILES

Table of share prices for Textiles companies including Textile, Clothing, and Fashion.

TRUSTS, FINANCE, LAND

Table of share prices for Trusts, Finance, Land companies including Investment, Finance, and Real Estate.

OIL AND GAS

Table of share prices for Oil and Gas companies including Energy, Petroleum, and Gas.

MINES

Table of share prices for Mines companies including Gold, Silver, and Minerals.

TRADITIONAL OPTIONS

Table of share prices for Traditional Options including Call, Put, and Spread.

This service is available to every Company staff in an Stock Exchange throughout the United Kingdom for a fee of £292 per annum for each security.

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Large order for sterling

STERLING ROSE sharply yesterday, as a very large buy order came into London from the Middle East...

It was estimated that about 3 per cent of the Japanese funds in circulation matured yesterday, releasing some £10bn of liquidity...

Sterling broke through technical resistance at \$1.5700 and through a further resistance point at \$1.5750...

In terms of other major currencies the pound rose to Y224.75 from Y223.50; to SFr2.6525 from SFr2.6400...

£ IN NEW YORK

Table with 3 columns: Aug 21, Last, Previous. Shows exchange rates for 5 spot, 1 month, 3 months, and 12 months.

STERLING INDEX

Table with 2 columns: Aug 21, Prev. Shows index values for 8.30 am, 10.00 am, 11.50 am, 1.00 pm, 3.00 pm, 4.00 pm.

CURRENCY RATES

Table with 4 columns: Aug 21, Bank, Swap, European. Lists rates for US Dollar, Canadian Dollar, Australian Dollar, etc.

CURRENCY MOVEMENTS

Table with 4 columns: Aug 21, Bank of England, Morgan, etc. Shows percentage changes for Sterling, US Dollar, etc.

OTHER CURRENCIES

Table with 4 columns: Aug 21, \$, £, DM, etc. Lists rates for Argentina, Australia, Brazil, etc.

MONEY MARKETS

Rates hold steady

UK INTEREST rates moved within a narrow band in London yesterday in the absence of any fresh data to influence trading...

UK clearing bank lending rates

Small table with 2 columns: 14 per cent, from May 24.

mortgages and the rate of inflation. Three-month interbank money yesterday finished at 13 1/2-13 3/4 per cent...

that were moved into the pound, but the gilt market was quiet and there was also no indication of heavy buying of equities...

Yesterday's publication of second quarter UK Gross Domestic Product data had no strong impact on the market...

Second quarter GDP showed a surprising fall of 0.4 per cent, against a revised rise of 0.1 per cent in the first quarter.

This followed last Friday's news of the first fall in...

EMS EUROPEAN CURRENCY UNIT RATES

Table with 4 columns: Country, Unit, % change, Divergence. Lists rates for Belgium, Denmark, etc.

POUND SPOT-FORWARD AGAINST THE POUND

Table with 4 columns: Aug 21, Day's, Close, One month, etc. Shows rates for US, Switzerland, etc.

DOLLAR SPOT-FORWARD AGAINST THE DOLLAR

Table with 4 columns: Aug 21, Day's, Close, One month, etc. Shows rates for UK, Netherlands, etc.

EURO-CURRENCY INTEREST RATES

Table with 4 columns: Aug 21, Short, 7 days, One Month, etc. Shows rates for Sterling, US Dollar, etc.

EXCHANGE RATES

Table with 4 columns: Aug 21, £, S, DM, etc. Shows rates for FR, Hk, N.Y., etc.

FT LONDON INTERBANK FIXING

Table with 4 columns: 11.00 am, 12.00 noon, 1.00 pm, etc. Shows rates for 3 months US dollars, 6 months US dollars.

MONEY MARKETS

Table with 4 columns: Aug 21, Overall, One Month, Three Months, etc. Shows Treasury Bills and Bonds.

LONDON MONEY RATES

Table with 4 columns: Aug 21, Overnight, 7 days, One Month, etc. Shows Interbank Offer, Interbank Bid, etc.

FINANCIAL FUTURES

West German bonds rise

WEST GERMAN Government bonds finished towards the day's high in Life trading yesterday. Trading volume at around 17,000 lots...

back to finish at 94.98, up from 94.85 at the opening and 94.73 on Friday.

Short sterling futures were largely overlooked on one of the quietest trading days for some time.

Estimated volume total, Cals 1001 Pals 2015.

WEST GERMANY BONDS

Table with 4 columns: Price, Call, Put, etc. Shows rates for 3.00, 4.50, 6.00.

WEST GERMANY BONDS

Table with 4 columns: Price, Call, Put, etc. Shows rates for 1.50, 3.00, 4.50, 6.00.

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WEST GERMANY BONDS

Table with 4 columns: Price, Call, Put, etc. Shows rates for 1.50, 3.00, 4.50, 6.00.

In UK base rates by December 94.85 at the opening and 94.73 on Friday.

Short sterling futures were largely overlooked on one of the quietest trading days for some time.

Estimated volume total, Cals 1002 Pals 2015.

WEST GERMANY BONDS

Table with 4 columns: Price, Call, Put, etc. Shows rates for 1.50, 3.00, 4.50, 6.00.

WEST GERMANY BONDS

Table with 4 columns: Price, Call, Put, etc. Shows rates for 1.50, 3.00, 4.50, 6.00.

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COMPANY NOTICES

CHEMICAL NEW YORK CORP US\$300,000 FLOATING RATE SUBORDINATED CAPITAL NOTES DUE 1997. In accordance with provisions of the Notes, notice is hereby given that for the interest period from 22 August 1989 to 22 November 1989 the Notes carry an interest rate of 9 per cent per annum.

FINANCIAL TIMES PUBLISHED IN LONDON FRANKFURT NEW YORK

INTERNATIONAL & BRITISH EDITORIAL, ADVERTISING & CIRCULATION OFFICES. Advertisement and circulation offices listed for London, Frankfurt, and New York.

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JOTTER PAD

CROSSWORD No.7,018 Set by MUTT

Crossword puzzle grid with clues for 1 across, 2 down, etc. Clues include '1 Functionary mark is a point to settle (5)', '2 Bull's the old Greek? (6)', etc.

ANSWERS to crossword puzzle. 1. Functionary (5) = BUREAU, 2. Bull's the old Greek? (6) = HELLO, etc.

WORLD STOCK MARKETS

Table listing stock prices for various companies in the USA section, including columns for stock name, price, and change.

Table listing stock prices for various companies in the FRANCE section, including columns for stock name, price, and change.

Table listing stock prices for various companies in the GERMANY section, including columns for stock name, price, and change.

Table listing stock prices for various companies in the ITALY section, including columns for stock name, price, and change.

Table listing stock prices for various companies in the SWITZERLAND section, including columns for stock name, price, and change.

Table listing stock prices for various companies in the CANADA section, including columns for stock name, price, and change.

Table listing stock prices for various companies in the INDICES section, including columns for index name, value, and change.

Table listing stock prices for various companies in the USA section (continued), including columns for stock name, price, and change.

Table listing stock prices for various companies in the FRANCE section (continued), including columns for stock name, price, and change.

Table listing stock prices for various companies in the GERMANY section (continued), including columns for stock name, price, and change.

Table listing stock prices for various companies in the ITALY section (continued), including columns for stock name, price, and change.

Table listing stock prices for various companies in the SWITZERLAND section (continued), including columns for stock name, price, and change.

Table listing stock prices for various companies in the CANADA section (continued), including columns for stock name, price, and change.

Table listing stock prices for various companies in the INDICES section (continued), including columns for index name, value, and change.

Table listing stock prices for various companies in the JAPAN section, including columns for stock name, price, and change.

Table listing stock prices for various companies in the AUSTRALIA section, including columns for stock name, price, and change.

Table listing stock prices for various companies in the AUSTRIA section, including columns for stock name, price, and change.

Table listing stock prices for various companies in the BELGIUM section, including columns for stock name, price, and change.

Table listing stock prices for various companies in the DENMARK section, including columns for stock name, price, and change.

Table listing stock prices for various companies in the FINLAND section, including columns for stock name, price, and change.

Table listing stock prices for various companies in the GREECE section, including columns for stock name, price, and change.

Four large advertisements for Financial Times products: 'FT hand delivered in Belgium', 'FT hand delivered in Turkey', 'Your FT hand delivered in Norway', and 'Tokyo - Most Active Stocks Monday August 21 1989'.

3pm prices August 21

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

12 Month	High	Low	Stock	Div.	Yield	100 High	Low	Close	Open	12 Month	High	Low	Stock	Div.	Yield	100 High	Low	Close	Open	12 Month	High	Low	Stock	Div.	Yield	100 High	Low	Close	Open	12 Month	High	Low	Stock	Div.	Yield	100 High	Low	Close	Open				
100	100	100	AAA			100	100	100	100	100	100	100	AAA			100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100				
100	100	100	AAA			100	100	100	100	100	100	100	AAA			100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100		
100	100	100	AAA			100	100	100	100	100	100	100	AAA			100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

Continued on Page 39

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NYSE COMPOSITE PRICES

Table of NYSE Composite Prices with columns for Stock, High, Low, Last, and Change. Includes a section for 'Sole figures are official' and 'Dividend dates'.

OVER-THE-COUNTER

Nasdaq national market, 3pm prices August 21

Table of Over-the-Counter prices with columns for Stock, High, Low, Last, and Change. Includes a section for 'Sole figures are official' and 'Dividend dates'.

AMEX COMPOSITE PRICES

3pm prices August 21

Table of AMEX Composite Prices with columns for Stock, High, Low, Last, and Change.

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WORLD STOCK MARKETS

AMERICA

Dow slides as focus turns to interest rates

Wall Street

THE market was firmly back on the defensive yesterday morning, with all important indices falling as investors continued to take profits and the US Treasury bond market pulled back from its early gains...

at the same time as bonds fell from early highs. The Treasury's benchmark long bond stood 1/2 point higher in mid-morning but then pulled back to stand only 1/4 point higher at mid-session.

the other, last week's strong economic data probably means that the Fed will not lower interest rates any further. There is a broad consensus now that the FOMC will vote for an unchanged policy.

It is notable that both cyclical stocks such as IBM and consumer non-cyclicals such as Philip Morris were weak, evidence that neither belief in a soft landing nor a recession is helping the market.

coatings group to Sherwin-Williams which eased 3/4 to 53 3/4. UAL continued its meteoric rise, adding 3 3/4 to 227 3/4 in the wake of news that British Airways plans involving itself in UAL to fend off the offer by investor Mr Marvin Davis.

ASIA PACIFIC

Optimistic investors drive Nikkei to a record high

Tokyo

A FLUCTUATING Tokyo market, influenced by a strong performance by Wall Street on Friday and expectations of higher prices here this week, closed at a record high in thin trading, writes Yuriko Mitsu in Tokyo.

A stable dollar-yen exchange rate underpinned the market, and the Nikkei opened on a firm note, consolidating the gains of recent days.

ing resulted in a fall of Y10 to Y110. Toyota Motor hit a year high of Y2,720 in the afternoon, before edging down to close at Y2,700, up Y50 from Friday.

HK\$9.65 and Sun Hung Kai Properties 40 cents to HK\$10.50. The top company in the banking sector, Hongkong & Shanghai Bank, slipped 10 cents to HK\$5.55 ahead of its first half earnings report.

EUROPE

Dollar's strength gives Frankfurt fresh lift

WEST German stocks regained their nerve after last week's profit-taking, while there was a mixture of fresh highs and listless trade elsewhere, writes Our Markets Staff.

ported by recent analysts' reports. The market also responded favourably to the Federal Cartel Office's go-ahead, reported last week, for a majority stakeholding by Veba in the paper to munitions group, Feldmühle Nobel.

weeks of consistent decline, rising L175 to L9,445. Traders said that the shares were being bought by interests close to Mr Carlo De Benedetti, in preparation for a L1,200bn capital increase this autumn.

after drifting in a narrow range throughout the session. Volume was estimated at below FF1.5bn, with many people still on holiday and the end of the account tomorrow.

was very quiet. Bührmann-Tetterode, the paper group, reported a 39 per cent rise in first half profits but the market pushed the share price down F1.30 to F17.20.

FRANKFURT surged as a strong dollar and expectations of rising earnings for leading German companies gave the market a powerful boost. The DAX index reclaimed most of last week's 2.1 per cent fall, rising by 1.7 per cent to 1,603.01 against a year's high of 1,609.93 at the close on August 10.

MILAN finished higher across the board for the third consecutive session, led by industrial blue chips, insurance stocks and some financial holdings. The Comit index ended 5.12 higher at 720.41.

MADRID gained further ground in higher volume than of late, with construction stocks and banks leading gains. Investors appeared to be discounting the possibility that the Government would call an early election.

Club Med was actively sought, rising FF23 to FF265 after reporting a 59 per cent increase in first half profits. Suez rose FF3 to FF374.10 as the market awaited approval from the Commission des Opérations de Bourse for its bid for Cie Industrielle and Victoire.

VIENNA hit a new high, with the bourse index up 2.66 at 422.33 in active trading.

Dealers said that strong interest in motors and in the utility, Veba, spread into most other sectors of the official bourse trading began. Deutsche Bank, which announced details of its move into life insurance yesterday, led the rise in the financial sector.

The insurance sector was boosted by speculative buying related to the French takeover battle for Victoire. Traders said La Fondiaria, of the Ferruzzi group, might get involved in Victoire's defence against the hostile Suez bid.

The general index rose 1.56 to 314.74 in turnover estimated at \$75m-\$80m, a considerable improvement on Friday's \$7m.

AMSTERDAM eased in a very thin session, trading with the CBS tendency index shedding 0.1 to 198.2. There was some activity in international stocks, which ended slightly better, but the local market

Small markets make largest moves

Table with columns: MARKET IN PERSPECTIVE, % change in local currency, 1 Week, 4 Weeks, 1 Year, Start of 1989, % change in sterling. Lists various countries like Austria, Belgium, Denmark, etc.

By Alison Maitland

IT WAS a week for taking stock - and profits - in the world's equity markets last week as the high level of share prices injected a dose of caution.

monwealth Holdings would try to place its 61.5 per cent holding in Woodchester, the leasing and finance group, with institutions rather than putting it up for sale, he said.

GRADUATE RECRUITMENT

The Financial Times proposes to publish this survey on: WEDNESDAY 1 NOVEMBER 1989. For a full editorial synopsis and advertisement details, please contact: Louise Hunter, Appointments Advertisement Manager, 01-873 4083.

Table titled FT-ACTUARIES WORLD INDICES. Columns include NATIONAL AND REGIONAL MARKETS, FRIDAY AUGUST 18 1989, THURSDAY AUGUST 17 1989, DOLLAR INDEX. Rows list various countries and regions with their respective indices and changes.

Advertisement for Louise Hunter, Appointments Advertisement Manager, 01-873 4083. Includes contact information and address: Number One Southwark Bridge, London SE1 9HL.

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